

## Message Text

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ACTION EB-11

INFO OCT-01 EUR-06 ISO-00 COME-00 STR-08 CIAE-00 INR-10

NSAE-00 RSC-01 OMB-01 AGR-20 TAR-02 DRC-01 SIL-01

LAB-06 TRSE-00 CIEP-02 SCI-06 /076 W

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R 181500Z SEP 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC 0815

UNCLAS ROME 9791

E.O. 11652: N/A

TAGS: BEXP

SUBJECT: FY-74 COMMERCIAL OBJECTIVES

REF: STATE'S 128397

### 1. /INTRODUCTION AND OBJECTIVES/

1. TO TAKE FULL ADVANTAGE OF TRADE OPPORTUNITIES IN ITALY THE EMBASSY HAS CONDUCTED AN EXTENSIVE SURVEY OF THE ITALIAN MARKET ALONG THE LINES OF THE DEPARTMENT OF COMMRCE TARGET INDUSTRIES CONCEPT. IT HAS IDENTIFIED COMMODITY GROUPS WHICH SHOULD RECEIVE TOP PRIORITY IN EXPORT PROMOTION. THESE SELECTED AMERICAN INDUSTRIAL PRODUCTS, DISCUSSED IN THIS REPORT, AS A RESULT OF DEVALUATION, HAVE BECOME SIGNIFICANTLY MORE COMPETITIVE IN THE ITALIAN MARKET - AND REPRESENT THE PRIMARY FY-74 OBJECTIVES IN OUR TRADE EXPANSION CAMPAIGN. THE INCREASED PRICE COMPETITIVENESS OF A WIDE-RANGE OF THESE PRODUCTS OFFER GROWING SALES POSSIBILITIES AND SHOULD BE INSTRUMENTAL IN INCREASING THE U.S. SHARE OF THE ITALIAN MARKET WHICH HAS DECLINED FROM 11.6 PERCENT IN 1968 TO 8.3 PERCENT IN 1972. ALL MISSION AND CONSULAR POST ELEMENTS (COMMERCIAL/ECONOMIC, AGRICULTURE, SCIENCE AND MILITARY), UNDER THE AMBASSADOR'S LEADERSHIP, WILL GIVE PRIORITY AND CENTER THEIR TRADE PROMOTION EFFORTS AMONG OTHERS ON FY-74 OBJECTIVES LISTED BELOW.

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2. A. /OBJECTIVE ONE/: /INCREASE ITALIAN IMPORTS OF U.S. CHEMICAL PROCESSING EQUIPMENT/. THE ITALIAN CHEMICAL INDUSTRY, WITH AN ANNUAL TURNOVER OF OVER \$6 BILLION, IS THE FOURTH LARGEST IN EUROPE. THE ITALIAN NATIONAL CHEMICAL PLAN CALLS

FOR A TOTAL OF \$7.2 BILLION IN INVESTMENTS THROUGH 1975. INDUSTRY SOURCES INDICATE THAT U.S. SUPPLIERS HAVE A GOOD OPPORTUNITY TO REALIZE APPRECIABLE SALES. /ACTION ONE/: ORGANIZE A TRADE MISSION TO VISIT ITALY (IN OCTOBER 1973) WITH THE PURPOSE OF INVESTIGATING TRADE OPPORTUNITIES IN THIS FIELD. EXPLORE POSSIBILITIES OF PATENT LICENSING AGREEMENTS AND POSSIBLE JOINT VENTURES. /ACTION TWO/: ORGANIZE TECHNICAL SEMINARS AT THE TRADE CENTER AT WHICH AMERICAN EXPERTS WILL PROVIDE ITALIAN CUSTOMERS TECHNICAL INFORMATION ON THEIR COMPANY'S PRODUCTS. /ACTION THREE/: ARRANGE CATALOGUE SHOWS FOR OUTSTANDING BUYER PROSPECTS. /ACTION FOUR/: COMMERCIAL OFFICERS WILL DEVELOP TRADE LEADS. /ACTION FIVE/: BROADER CONTACTS WITH THE ITALIAN CHEMICAL ASSOCIATION IN PREPARING A LIST OF IMPORTANT IMPORTERS:DEALERS. /ACTION SIX/: PUBLICIZE TRADE OPPORTUNITIES DEVELOPED BY THE EMBASSY AND CONSULAR POSTS.

3. B. /OBJECTIVE TWO/: /INCREASE ITALIAN IMPORTS OF U.S. MACHINE TOOLS/. EUROPEAN SUPPLIERS HAVE ENJOYED A GOOD MARKET IN ITALY SELLING SOPHISTICATED MACHINES AT PRICE LEVELS BELOW THOSE OFFERED BY U.S. MANUFACTURERS. DUE TO INTERNATIONAL MONETARY CHANGES, THIS PRICE ADVANTAGE HAS BEEN SERIOUSLY ERODED AND, IN SOME CASES, HAS DISAPPEARED. THE STEADY INTEREST IN AND NEED FOR SUPERIOR LABOR-SAVING MACHINERY MORE THAN WARRANT U.S. PROMOTION OF THIS EQUIPMENT. /ACTION ONE/: ORGANIZE AN INCOMING TRADE MISSION TO THE U.S., COMPOSED OF ITALIAN BUSINESSMEN CONCERNED WITH MACHINE TOOLS, AND WHICH WILL EXPLORE PROCUREMENT OF U.S. EQUIPMENT. /ACTION TWO/: THROUGH THE DEPARTMENT OF COMMERCE ARRANGE PLANT VISITS, MEETINGS WITH TRADE ASSOCIATIONS, STATE DEVELOPMENT AGENCIES AND MAJOR U.S. EXPORTERS. /ACTION THREE/: THROUGH PUBLICITY BRING THE MISSION'S VISIT TO THE ATTENTION OF POTENTIAL U.S. SUPPLIERS. /ACTION FOUR/: UPON THE MISSION'S RETURN TO ITALY, THE EMBASSY WILL ORGANIZE A DEBRIEFING SESSION. /ACTION FIVE/: THE EMBASSY, THROUGH THE DEPARTMENT OF COMMERCE, WILL FOLLOW UP ON ANY PENDING BUSINESS PROPOSAL.

4. C. /OBJECTIVE THREE/: /EXPEND THE MARKET FOR AMERICAN UNCLASSIFIED

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INDUSTRIAL CONTROL AND MEASURING INSTRUMENTATION/. THIS PRODUCT CATEGORY HAS A HIGH POTENTIAL FOR INCREMENTAL EXPORT SALES TO ITALY BECAUSE THE ITALIAN INDUSTRY NEEDS MODERNIZATION IN ORDER TO COMPETE EFFECTIVELY WITH OTHER COMMON MARKET COUNTRIES. ESCALATION OF LABOR COSTS CALLS FOR LABOR SAVING AUTOMATION AND OVER THE NEXT SEVERAL YEARS DEMAND FOR THIS EQUIPMENT WILL BE PARTICULARLY STRONG. /ACTION ONE/: PARTICIPATION AT AN INTERNATIONAL AUTOMATION AND INSTRUMENTATION SHOW IS RECOMMENDED. /ACTION TWO/: MISSION AND CONSULAR POST OFFICERS SHOULD VISIT LEADING INDUSTRIALISTS AND CAMPAIGN FOR AMERICAN EQUIPMENT. /ACTION THREE/: ALSO CONTACTED SHOULD BE IMPORTANT DEALERS AND BUYERS AND LEADS DEVELOPED SHOULD RECEIVE EXTENSIVE PUBLICITY. /ACTION FOUR/: OTHER TRADE PROMOTION TECHNIQUES

SHOULD INCLUDE PROMOTIONAL RECEPTIONS, AND INDIVIDUAL COMPANY PRESENTATION. /ACTION FIVE/: INDIVIDUAL AMERICAN MANUFACTURERS SHOULD BE ASKED TO PARTICIPATE IN BETWEEN SHOWS AT THE TRADE CENTER. /ACTION SIX/: COMPANY'S BETWEEN-SHOW EXHIBITS SHOULD BE MAXIMIZED BY COMMERCIAL OFFICER'S VISITS TO PROSPECTIVE BUYERS TO STIMULATE INTEREST IN THESE AMERICAN PRODUCTS.

5. D. /OBJECTIVE FOUR/: /DEVELOP INCREASED INTEREST IN AMERICAN INDUSTRIAL ASSEMBLY EQUIPMENT/. RISING LABOR COSTS ARE PROVIDING GREAT IMPETUS TO THE ITALIAN INDUSTRY TO RATIONALIZE ITS PRODUCTION PROCESSES AND ASSEMBLY EQUIPMENT IS BECOMING INCREASINGLY ATTRACTIVE. AT COMPETITIVE PRICES THIS OFFERS A GOOD MARKET FOR U.S. PRODUCTS, WITH NOVEL MEANS OF APPLICATION AND NEW TECHNOLOGY AS WELL AS QUALITY IN PRODUCT MANUFACTURE. /ACTION ONE/: AN EXHIBIT AT THE TRADE CENTER WILL BE A GOOD PROMOTION TECHNIQUE. /ACTION TWO/: THE MISSION WILL PROGRAM OUT-OF-OFFICE VISITS BY COMMERCIAL OFFICERS TO MAJOR INDUSTRIAL ESTABLISHMENTS IN ORDER TO DEVELOP SALES LEADS. /ACTION THREE/: BROADEN MISSION'S CONTACTS WITH LARGE GOVERNMENT ENTITIES ENGAGED IN MANUFACTURING, SUCH AS IRI AND STATE HOLDING COMPANIES, IN ORDER TO FAMILIARIZE RESPONSIBLE EXECUTIVES WITH AVAILABLE AMERICAN PRODUCTS. /ACTION FOUR/: THE EMBASSY AND CONSULAR POSTS WILL BE PARTICULARLY ALERT IN COMMERCIAL REPORTING TO SIGNIFICANT INVESTMENT PROJECTS - PRIVATE AND PUBLIC - AS RELATED TO INDUSTRIAL ASSEMBLY EQUIPMENT. /ACTION FIVE/: MAINTAIN CLOSE CONTACTS WITH GOVERNMENT OFFICIALS HANDLING INVESTMENT PROJECTS WHICH MAY RESULT IN THE PROCUREMENT OF AMERICAN EQUIPMENT. /ACTION SIX/: SUPPORT AMERICAN COMPANIES

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BIDDING FOR GOVERNMENT PROJECTS INVOLVING ASSEMBLY EQUIPMENT. /ACTION SEVEN/: EXPAND MONITORING MEDIA AND LOCAL INFORMATION SOURCES FOR TRADE LEADS IN THIS SECTOR.

6. E. /OBJECTIVE FIVE/: /UNDERTAKE THE PROMOTION OF U.S. RESEARCH EQUIPMENT AND INSTRUMENTATION/. THIS AREA CONTINUES TO OFFER POTENTIAL FOR ADDITIONAL SALES IN VIEW OF THE ADVANCE STATE OF AMERICAN PRODUCTS, THE EXPANSION OF ITALIAN INVESTIGATIVE AREAS AND THE GENERAL INCREASE IN RESEARCH ACTIVITIES IN ITALY. THE EMBASSY'S VIEWS, BASED ON MARKET INVESTIGATIONS ARE THAT THIS IS A PROVEN THEME FOR U.S. PROMOTION IN ITALY. /ACTION ONE/: A TRADE CENTER SHOW OF THE LATEST EQUIPMENT IN THIS FIELD WILL ASSIST THE U.S. INDUSTRY TO INCREASE ITS SHARE OF THE ITALIAN MARKET. /ACTION TWO/: A SYMPOSIUM OR SEMINAR SHOULD BE SET UP AT THE TRADE CENTER, WHERE AMERICAN EXPERTS COULD PRESENT APPROPRIATE PAPERS. /ACTION THREE/: SHOW PREVIEWS SHOULD BE ORGANIZED BY THE TRADE CENTER. /ACTION FOUR/: COMMERCIAL OFFICERS SHOULD MAKE BLUE RIBBON CALLS ON IMPORTANT ITALIAN BUYER PROSPECTS, LARGE IMPORTERS AND DEALERS TO STIMULATE THEIR ATTENDANCE TO THE SHOW AND INTEREST IN THESE PRODUCTS. /ACTION FIVE/: PROVIDE MAXIMUM SUPPORT FOR THE SHOW AT THE TRADE CENTER BY INFORMING TRADE ASSOCIATIONS, CHAMBERS OF

COMMERCE, CONFINDUSTRIA, AND SIGNIFICANT IMPORTES THROUGHOUT ITALY ABOUT THE TYPES OF PRODUCTS WHICH WILL BE DISPLAYED.  
/ACTION SIX/: WITH THE ASSISTANCE OF USIS, PLACE ARTICLES IN THE ITALIAN PRESS ABOUT THE SHOW. /ACTION SEVEN/: THE PROMOTION CAMPAIGN SHOULD INCLUDE ALSO A CATALOGUE SHOW.

7. F. /OBJECTIVE SIX/: /REORGANIZE PROCEDURES AND ACTIVITIES OF THE STAFF/. TO DEVOTE MORE STAFF'S TIME TO THE PROMOTION OF U.S. EXPORTS SEVERAL INITIATIVES WILL BE UNDERTAKEN.  
/ACTION ONE/: PROCEDURES WILL BE STREAMLINED AND FORM LETTERS WILL BE DEVELOPED TO SPEED UP REPLIES TO CERTAIN BUSINESS INQUIRIES. /ACTION TWO/: WTDR QUESTIONNAIRE WILL BE REVISED TO EMPHASIZE TRADE OPPORTUNITIES AND AGENCY SERVICES.  
/ACTION THREE/: ACTIVITIES OF ECON/COMSEC LOCAL EMPLOYEES WILL BE REORGANIZED TO PROVIDE INCREASED BACK-STOPPING FOR COMSEC.VOLPE

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Disposition Comment:**  
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**Review Authority:** martinjw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 28 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <28-Sep-2001 by maustmc>; APPROVED <28-Jan-2002 by martinjw>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FY-74 COMMERCIAL OBJECTIVES  
**TAGS:** BEXP  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005